GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA

UNSTARRED QUESTION NO:1315
ANSWERED ON:27.11.2000
CORPORATISATION OF TELECOME SERVICES . .
BHIM PRASAD DAHAL;HARIBHAU MAHALE;JASWANT SINGH YADAV;MADHAVRAO SCINDIA;RAVI PRAKASH VERMA;RENUKA CHOWDHURY;SUSHIL KUMAR SAMBHAJIRAO SHINDE;THAAWAR CHAND GEHLOT;Y.S. VIVEKANANDA REDDY

Will the Minister of COMMUNICATIONS be pleased to state:

(a) Whether the Department of Telecommunications (DOT) has since been corporatised as Bharat Sanchar Nigam Limited (BSNL) and started functioning with effect from October 1 ,2000;

(b) If so, the details along with objectives and purposes thereof;

(c) Whether the employees have been agitating against it;

(d) If so, the reaction of the Government thereto;

(e) The extent to which it has helped in better customer service and its likely impact on the benefits of the employees.

(f) Whether Govt. have further liberalized Foreign Direct Investment (FDI) rules allowing 100% investment through automatic route by foreign investors, NRI`s and overseas corporate bodies; (g) If so, the details thereof and the response of the foreign and private investors thereto; (h) Whether the Telecom Regulatory Authority of India (TRAI) has agreed to reduce the rates of STD/ISD calls; and (i) If so, the details thereof and estimated loss of revenue thereby ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI TAPAN SIKDAR)

(a) & (b) Yes sir, The erstwhile Department of Telecom Services and Department of Telecom Operations have been corporatised as Bharat Sanchar Nigam Limited (BSNL) which has started functioning with effect from 1-10-2000. The two departments have been corporatized to cope with the increasingly competitive environment in the Telecom Sector . The main advantages of the corporate structure are an increase in commercial orientation , increase in autonomy and flexibility in decision making, increase in financial flexibility, appropriate customer orientation and the skill building of the work force etc.

(c) & (d) Some of the federations/Associations/Unions of the employees launched agitation against corporatisation . The matter was discussed with them and an agreement was signed with some of the staff federations paving the way for corporatisation.

(e) The corporation has already taken some customer friendly decisions like reduction of registration charges, making the application form for new connection free of cost and speedy restoration of telephones disconnected on account of non-payment etc. The employees opting for absorption in Bharat Sanchar Nigam Limited (BSNL) will be extended the benefits of pay and perquisites of Public Sector Undertakings as finalized by BSNL. Immediately on absorption of the Non-executive employees will get Rs.1000/- per month.

(f) & (g) Yes sir, The Govt. has allowed 100% Foreign Direct Investment (FDI) through automatic route for the manufacture of Telecom Equipment and certain other areas in the Telecom Sector. Leading manufacturers such as Siemens ,Lucent, Alcatel, Motorola, Fujistu and Ericssion etc. have already set up their manufacturing units in the country . With the liberalized policy of the Govt. more investment is expected in this area.

(h) Yes sir.

(i) The TRAI as part of tariff re-balancing has already implemented the second phase and reduced the peak time STD and ISD rates w.e.f 1-10-2000. The reduction applicable for the period 1-10-2000 to 31-03-2002 ranges from 7% to 25% in terms of long distance tariff. The estimated reduction in revenue due to new rates is expected to be to the tune of Rs. 754 Crores from 1-10-2000 to 31-03-2001.